

**STATE OF MARYLAND  
DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
OFFICE OF THE SECRETARY**

**HEALTH PROFESSIONALS BOARDS AND COMMISSION**

**FY 2005 BUDGET OVERVIEW**

**PRESENTED TO**

**HOUSE APPROPRIATIONS SUBCOMMITTEE ON HEALTH AND HUMAN RESOURCES**

**DELEGATE VAN MITCHELL, CHAIR**

**February 18, 2004**

Nelson Sabatini  
Secretary

**STATE OF MARYLAND**  
**DEPARTMENT OF HEALTH AND MENTAL HYGIENE**  
**OFFICE OF THE SECRETARY**

**HEALTH PROFESSIONALS BOARDS AND COMMISSION**

**FY 2005 BUDGET OVERVIEW**

MA01.04

Chris Hobbs, Fiscal Liaison (402-8519)  
Ann Tyminski (764-4751) - Legislative Liaison

**PROGRAM OVERVIEW**

The Health Professionals Boards and Commission program consists of sixteen (15) regulatory boards and one (1) regulatory commission. The Boards are responsible for licensing health care professionals or organizations, setting standards of care, monitoring continuing education requirements, investigating/handling complaints and ensuring compliance of orders involving health care professionals. The Commission on Kidney Disease sets physical and medical standards for kidney dialysis and transplant facilities.

The Boards and the Commission license certify and/or register over 61,000 individuals and health-related organizations. The Boards and Commission are planning to operate with an aggregate FY 2005 appropriation of \$8.2 million. A summary of the professions regulated by each Board/Commission is provided. In addition, an overview of the Boards funding, staffing, licensing, and disciplinary activities is provided in the attached charts.

**SPECIAL FUND STATUS**

As a result of Senate Bill 655 (1992), most of the Boards became Special funded. All revenues collected go directly into each Board's fund and are used exclusively to cover the costs of operating the Board. No other State funds may be used to pay for a Special-funded Board's operating activities. House Bill 1246 (1992) specified that if the Commission on Kidney Disease is unable to collect all fees related to surveying and certifying of facilities, the Department will provide additional funding to cover any Commission expenditures in excess of revenue collected. Additionally, all indirect costs incurred by the Commission are to be waived by the Department.

The Board of Examiners of Nursing Home Administrators decided to remain as a General fund agency within the Boards and Commission program. On February 28, 1970, the Federal Government promulgated rules and regulations which required the State of Maryland, in order to participate in the Title XIX Medical Assistance Program, to establish and maintain a licensing board for the purpose of regulating nursing home administrators. As a result of the foregoing, the "Nursing Home Administrators Licensing Act" was created.

**PROGRAM ADMINISTRATION**

The Boards and the Commission within the program retain independent responsibility for the administration of their professional practice and associated mandates. This independent authority gives each Board/Commission the responsibility for its own actions. However the Boards and the Commission must adhere to State budgetary, procurement and personnel rules and regulations.

A Council of the Boards and Commission was established to: (1) support the Boards and the Commission by providing communication links with the Department, the Governor, the State Legislature and the general public, (2) to advise on the

allocation of shared resources among the Boards, and (3) to facilitate interaction between the Boards on matters of shared interest. The Council, composed of designated members from each Board and the Commission, has no jurisdiction over internal functions, expenditures, and policy decisions of the constituent Boards and the Commission.

A liaison system was established in order to facilitate the management of common administrative activities. Specific Board/Commission administrators or executive directors serve as the liaison for key administrative areas (i.e., Fiscal Management, Regulations Development, Training, Board Member Orientation, Personnel, Legislation, Public Relations and Building Related matters).

A fiscal officer and a regulations/legislation specialist provide program support. Office automation support is provided with computer network specialist positions in the Dental Board, Occupational Therapy and Pharmacy Board. A shared computer network position supports all of the other Boards. Funding also is provided for shared legal positions which facilitate the handling of disciplinary cases for several Boards and who act as staff attorneys to help Board counsel in drafting and reviewing legal documents, attend informal hearings, etc. In addition some Boards share investigator positions.

Special Projects – The Boards are currently recruiting for a Data Base Specialist to manage the e-licensing data base that the Boards, in conjunction with IRMA are developing for license renewals. The Boards are expecting to be able to do on-line renewals beginning in FY05.

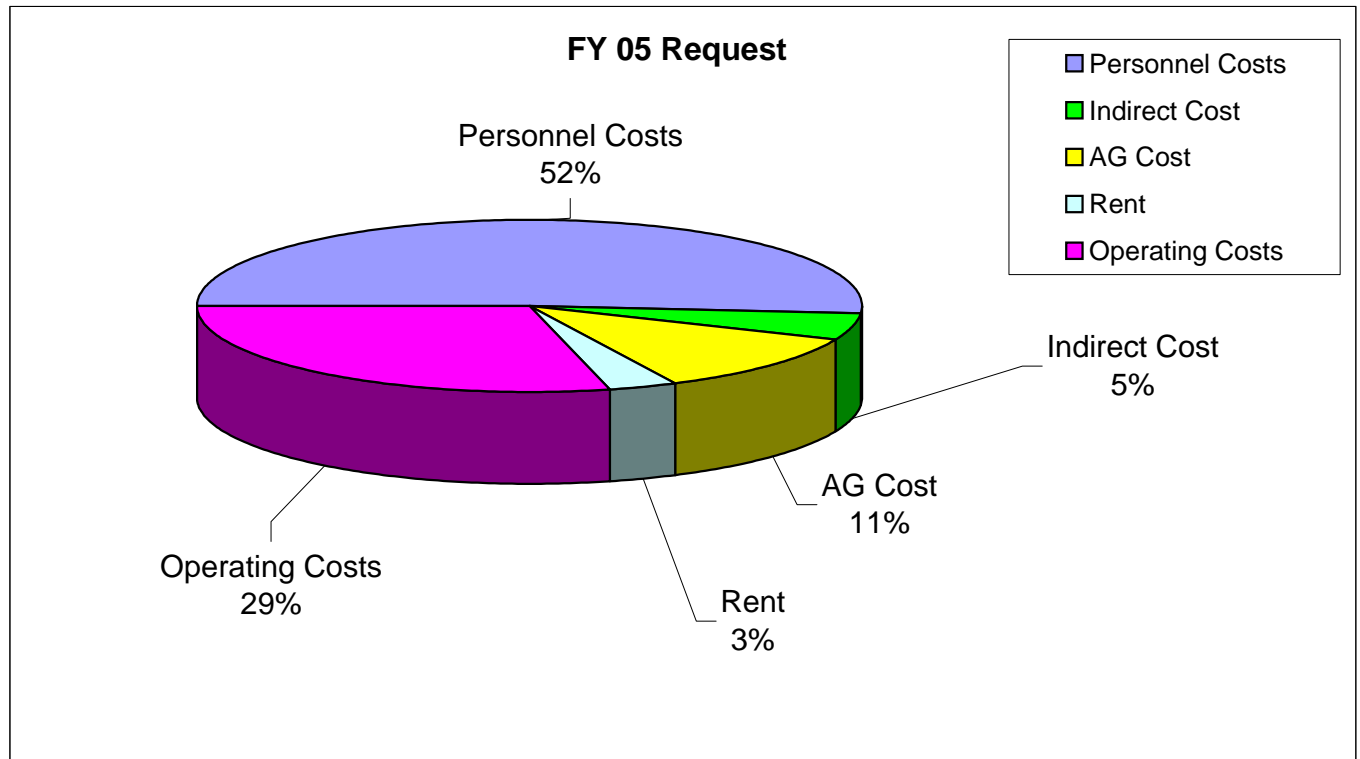
HEALTH PROFESSIONALS BOARDS AND COMMISSION  
TOTAL ACTIVE -LICENSED /CERTIFIED/REGISTERED  
FY 2005

<b>PCA</b>	<b>Board/Commission</b>		<b>Total</b>
402	<b>Acupuncture</b>		720
403	<b>Dietetic Practice</b>		1,372
404	<b>Professional Counselors</b>		3,867
	Certified Professional Counselors	100	
	Marriage and Family Therapists	148	
	Licensed Clinical Counselors	1,370	
	Alcohol & Drug (3,000 est.)	2,249	
406	<b>Chiropractic</b>		3,109
	Chiropractor	664	
	Chiropractic Assistant	327	
	Included in Chiropractor total		
	Certified Massage Therapists	2,084	
	Registered Massage Practitioners	34	
	Pending Applications (300 approx.)		
407	<b>Dental</b>		10,768
	Dentist	5,034	
	Hygienist	2,569	
	Dental Radiation Tech	3,165	
409	<b>Morticians</b>		1,370
	Morticians/Funeral Dir./S. Spouse	897	
	Courtesy Card	134	
	Corps./Establishments	319	
	Apprentice	20	
411	<b>Nursing Home Administrators</b>		592
412	<b>Occupational Therapy</b>		2,650
	Occupational Therapist	2,198	
	O.T. Assistant	452	
413	<b>Optometry</b>		775
414	<b>Pharmacy</b>		9,350
	Pharmacist	7,248	
	Pharmacy Establishmt.	1,442	
	Distributor	660	
415	<b>Physical Therapy</b>		9,666
	Therapist	7,822	

	Assistant	1,844	
417	<b>Podiatry</b>		436
418	<b>Psychology</b>		2,818
	Psychologists	2,368	
	Psychology Associate	450	
419	<b>Social Work</b>		11,712
	Associate	1,444	
	Graduate	2,721	
	Certified	594	
	Certified - Clinical	6,953	
420	<b>Audiology/HAD/SLP</b>		2,756
	Speech-Language Pathologists	2,251	
	Audiologist	383	
	Hearing Aid Dispensers	122	
421	<b>Kidney Disease Commission (facilities)</b>		104
		<b>Total</b>	62,065

Boards & Commission  
FY05 budget

FY	Total	Personnel Costs	Indirect Cost	AG Cost	Rent	Operating Costs
05	8,288,286	4,262,170	409,409	949,187	276,919	2,390,601



Personnel costs includes merit system employees salaries and fringes, contractual employee salaries and fringe, temporary employees from temp agency and per diem cost for board members.

Indirect cost includes health department indirect cost (DIC) and the statewide cost allocation (SCAP).

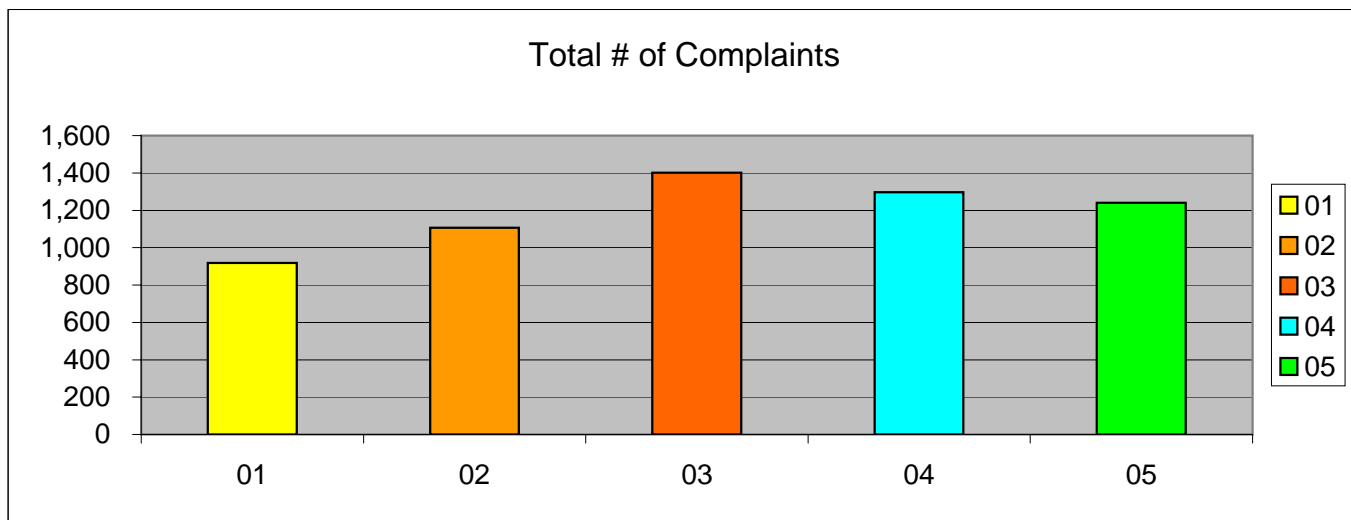
Attorney General's costs includes cost for attorneys, prosecutors, board counselors and support staff from the Attorney General's office.

Rent cost includes the Boards' office space at both Spring Grove and Patterson Ave.

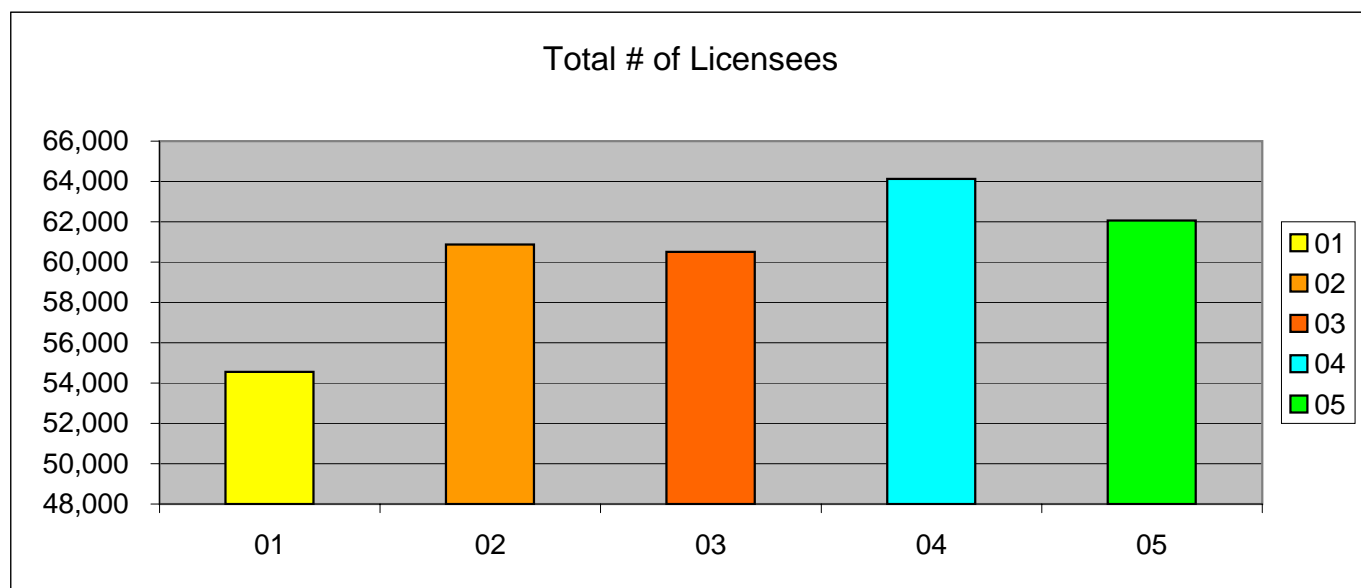
Operating cost includes all other cost incurred by the boards. (e.g. - phone charges, postage, travel, printing, software, special projects, office supplies, equipment, etc.)

Boards & Commission  
FY05 budget

	FY01 Actual	FY02 Actual	FY03 Actual	FY04 Estimate	FY05 Estimate
	01	02	03	04	05
Total # of Complaints	918	1,107	1,401	1,296	1,241



	FY01 Actual	FY02 Actual	FY03 Actual	FY04 Estimate	FY05 Estimate
	01	02	03	04	05
Total # of Licensees	54,554	60,874	60,503	64,122	62,065



Note: Drug & Alcohol certification program started FY 02

## **Maryland Board of Nursing Budget Overview**

### **Vision**

*To be pre-eminent in promoting a dynamic and future oriented regulatory environment that advances quality nursing and health care*

### **Mission**

*To advance safe quality nursing care in Maryland through licensure, education, and accountability in practice for public protection.*

## **Major Programs - Description**

### **Licensure of:**

- ◆ 60,229 Registered Nurses
- ◆ 14,379 Licensed Practical Nurses

### **Certification of:**

- ◆ 3036 Nurse Practitioners, Nurse Midwives and Nurse Anesthetist
- ◆ 885 Workman's Compensation Case Managers, Forensic Nurse Examiners
- ◆ 53,189 Nursing Assistants
- ◆ 14,865 Medication Assistants

Renewal of licensure is available online for both nurses and nursing assistants. License status can be verified via the Board's website, fax back or automated verification phone line.

Examination – The Board approves all candidates for examination. The examination is available daily making it easy for applicants to test. Results are available within 24 hours. The Board licensed 2584 by examination.

Endorsement and verification – Nurses and nursing assistants from other states wanting to be licensed in Maryland must have their credentials reviewed to determine equivalency with Maryland law. The Board licensed by endorsement or verified licensure to other state 3,300 nurses

Examination and licensure of 126 Electrologists. Renewal is not available online because of the costs due to small number of electrologists.

Complaints - The Board investigates complaints against licensees and certificate holders and prepares investigative reports to the Board for action. The Board took 818 actions.

Discipline – Prepares hearings of nurses and nursing assistants who have been charged with



violation of the Nurse Practice Act, and prepares disciplinary orders as a result of the hearings.

Rehabilitation Program - Monitors nurses and nursing assistants with drug and alcohol addictions or mental health problems who voluntarily enter the program.

Approval of Nursing Education Programs - Surveys and approves schools of nursing meeting the required standards and monitors programs to assure that the standards are continually met. Schools failing to meet standards risk removal of approval. Removal of approval means that graduates may not take the licensing examination.

Approval of training programs for nursing assistants – Surveys and approves 189 nursing assistant training programs. Programs must be surveyed at least every two years. Two programs were closed for failure to meet standards.

Practice – The Board is responsible for determining the scope of practice for registered nurses and licensed practical nurses. This is done through regulations and declaratory ruling. Staff provides consultation to nurses and health care agencies regarding practice questions. A committee of nurse experts are responsible for studying and evaluating practice issues and making recommendation to the Board for action.

Public Relations – The Board has made over 100 presentations in the last year to nursing students and nurses. Four times a year the Board holds a new administrator orientation designed to familiarize new nurse leaders with their role in relation to the Board of Nursing. The Board also offers training for delegating nurses every two months. The web site continues to be a valuable tool for nurses and employers in obtaining information with an average of 574,829 hits and 49,771 visitors per month.

Commission on the Crisis in Nursing. – The Commission is legislatively mandated to address the issues of the nursing shortage. The Commission was established for a five year period in 2000 and had the responsibility to recommend solutions and monitor implementation of the recommendations.

Maintaining a database of nurse volunteers in disaster and providing training. Staff has trained 850 nurses in disaster and currently has 1500 volunteers in the database.

## **Program Achievements**

## MFR

### High Quality Customer Service

- Implemented online renewal for nursing assistants designed to streamline renewal process. To date only 5% of the CNAs are taking advantage of online renewal.
- Online renewal continues to grow with an increase from 30% use in FY 2002 to 70% use. Web site has been updated and a new private website developed for applicants endorsement and examination applicants to view status of application.

### Licensure and Disciplinary Activities are accomplished in an efficient manner

- Implemented the transfer of the Electrology Board to the Board of Nursing as a program of the Board. The transfer went without incident and renewed all applicants on time. The renewal fee was reduced by \$150.
- Renewals without problems are mailed within 4 to 8 days of receipt of application. The average time for all Boards of Nursing is 12 days
- Average time to complete a discipline case is 11 months. This includes all types of cases.

### Nurses and nursing assistants will be judged by their peers as competent.

- Surveys were not done in FY 2003. The surveys are done every other year.
- Approved 2 new practical nursing programs. Placed two programs on conditional approval for failure to meet standards and restored full approval to three programs previously on conditional approval. All other programs were found in compliance. Based on the standards and process used for survey of nursing education programs, the Board was approved by the US Department of Education as an approved accreditation body for nursing education.

## Cost Containment Measures

- Delayed implementation of plastic licenses
- Decided to wait another year to consider requiring criminal background checks due to the number of additional staff that would be required
- Decreased use of stuffing service for license mail out

Department of Health and Mental Hygiene  
Board of Physicians  
Testimony on Budget Appropriation Request FY 2005  
February 12, 2004

The Maryland Board of Physicians (the Board) is funded from licensure fees collected from the physicians and allied health professionals the Board regulates. No general funds are provided to the Board. The only way to increase funding is through an increase in licensure fees.

In January 2001, the new Executive Director arrived at the Board and found that there was an anticipated shortfall in revenues, with a prediction of a negative fund balance by FY 2004. The Executive Director immediately imposed a moratorium on hiring, holding seven positions vacant. Several months later the Governor imposed a statewide freeze to address the worsening economy. Subsequent budget actions have resulted in a loss of 12 positions from FY 2001 to FY 2004. (See Attachment A, Staff Complement). These PIN eliminations, plus additional existing vacancies have contributed to a large surplus each year in the salary and fringe categories.

The self-imposed expenditure cutbacks, the Governor's freeze, and a licensure fee increase approved in June of 2000 have changed the Board's fund balance picture dramatically. Now the Board's fund balance is projected to exceed the accepted guideline resulting in the transfer of over 1.1 million dollars (FY2004 \$476,500 and FY2005 \$628,000) to the General Fund.

Due to ongoing mandated expenditures (Attachment B, Mandated Expenditures), additional costs to implement recent legislation, and other new responsibilities such as Emergency Preparedness, the financial demands on the Board continue to increase. Since the Board receives no general funds, costs for these activities will be funded exclusively through increases in licensure fees or from the existing fund balance. If transfers of the "excess" Board fund balance to the General Fund continue to occur, the Board will ultimately be forced to increase licensure fees on all practitioners.

Attachments

## Attachment A

### Total MBP Staff Complement

	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
MBP Staff Project R601S	59 FTE	58 FTE	50 FTE	49 FTE
Attorney General Staff Project R602S	14 FTE	14 FTE	12 FTE	12 FTE
<b>Total Staff</b>	<b>73 FTE</b>	<b>72 FTE</b>	<b>62 FTE</b>	<b>61 FTE</b>

FY 2001            73 PINS

FY 2004            61 PINS

**Total Reduction    12 PINS**

**\* 73 original PINS/12 lost PINS = 16.5% staff reduction in three fiscal years**

**As of 10/2003**

## Attachment B

### Board of Physicians Mandated Expenditures

<b>MBP FY 2005 Total Budget</b>	<b>\$6,265,104</b>
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#### Assessments

Health Care Commission	\$ 450,670
Peer Review	280,000
Physician Rehabilitation	350,000
Scholarships Fund	810,128
	<hr/>
	<b>\$1,890,798</b>

#### Expenditures **NOT** within MBP's Control

Rent	\$ 191,620
Indirect Costs	276,699
Office of Administrative Hearings	239,397
	<hr/>
	<b>\$707,716</b>

**As of 2/12/04**

Word/irv/financial fyi board members

Doc:word/Irv financial/Financial FYI Board Members

**Department of Health and Mental Hygiene  
Health Occupation Boards  
M00A01**

**Response to Issues**

**Issue #1**

**Page 12 - DHMH should be prepared to comment on the progress of the transition of the Electrology Board to the Board of Nursing and discuss any logistical, managerial, or operational issues that have arisen as a result of this change.**

**Response:** The Electrology Board has successfully transitioned into the Electrology Committee under the Board. There were no issues with the transition. Regulations were complete and updated. The Board renewed the Electrologists in October without incident. Renewal fees were reduced \$150.

**Other Issues**

**Page 5 – The Boards should comment on why the number of licensees is expected to decline and what impact such a decline will have on the availability of services.**

AUD/HAD/SLP: Although the Board does fairly well licensing new practitioners each year, the total number of licensees decreases by approximately 200-250 Speech-Language Pathologists (SLPs) each renewal period. Many SLPs are “traveling” or contract therapists employed by large agencies who place them in positions across the country. During their employment Maryland, they seek licensure, but are often practicing in another state when their Maryland license is due for renewal and therefore do not renew in this state.

Dental Board: Licensee numbers projected to increase for FY 2005.

Optometry: Licensee base stable for FY 2005.

**Page 7 – DHMH should comment on the possibility of developing or obtaining MFR measures that include comparable national and regional data.**

AUD/HAD/SLP: The National Association tracks licensure requirements, but does not track performance information, including disciplinary actions.

Physical Therapy: National and regional data needed to develop comparative MFR measures is nearly impossible to obtain. The operation and processes of Boards differ among states, making a direct comparison impossible. Further, the Federation of State Boards of Physical Therapy has not been able to obtain this information. Barriers include confidentiality issues and the reluctance to allow National organizations to collect this data.

Optometry: Would need to research the availability of data from national organizations.

Dental Board: National associations collect data on licensure and permit requirements, changes in laws and regulations, and total number of licensees, but do not collect performance data on

licensing activities or disciplinary functions. In order to collect this information, the Board would be required to contact each state individually resulting in the consumption of considerable work hours. Comparison is also made difficult with respect to discipline due to the varying processes, laws, and regulations of each state.

**Page 7 – Including a measure of the “average number of days” to complete an investigation in the MFR would be useful in evaluating the timeliness of the complaint resolution process.**

AUD/HAD/SLP: The Board is willing to provide this data.

Physical Therapy: An accurate assessment of the “average number of days” would be difficult to quantify given that investigators work on multiple cases simultaneously. It would be time consuming to require investigators to allocate the number of hours spent each day on individual cases. In addition, offering an average number of days is an unfair premise since many investigations such as fraud cases or standard of care cases require a much longer investigative period than simple cases that are resolved in a short period of time.

Dental: The Board has the capability to provide the data, but believes that a measure of the “average number of days” is misleading. Cases of longer duration when averaged with cases closed more rapidly will distort the data, making it appear that some cases take much longer to resolve than is actually correct.

Optometry: The Board has the capability to provide the data.

**Page 9 – DHMH and the Department of Budget and Management should be prepared to explain the process by which Boards were selected for a fund balance transfer and how the amount to be transferred was calculated.**

DBM response submitted separately.

**Page 11 – DHMH should be prepared to comment on how these transfers have affected the operations and mission fulfillment of the health occupation boards.**

The fund balance transfers have impacted the boards through delayed implementation of electronic licensure systems, delayed hiring of an investigators and administrative support staff and deferring continuing education programs.

**Department of Health and Mental Hygiene  
Health Occupation Boards  
M00A01**

**Response to Recommended Actions**

1. **Recommendation:** Reduce grants for Board of Pharmacy. This reduction level funds grants at the fiscal 2004 level, which is an increase over fiscal 2003. \$15,000 SF

**Response:** The Pharmacy Board concurs with the recommendation and will maintain its fiscal year 2005 grants program at the fiscal year 2004 level.

2. **Recommendation:** Reduce contractual services for the Boards of Dental Examiners (\$10,000), Examiners in Optometry (\$3,000), and Examiners of Psychologists (\$7,000). These reductions still allow an increase over the fiscal 2004 working appropriation \$20,000 SF

**Response:**

Dental Examiners: The Board of Dental Examiners concurs with the recommendation and will reduce its cost for contractual services by decreasing the scope and number of pages of its Newsletter.

Optometry: The Optometry concurs with the recommendation.

Psychology: The Board of Psychology concurs with the recommendation.

3. **Recommendation:** Reduce the fiscal 2005 allowance for contractual services in the Boards of Nursing. This reduction still allows a 14.5% increase over the fiscal 2004 working appropriation. \$20,000 SF

**Response:** The Board disagrees with the recommended action. The funds were budgeted in anticipation of needed changes to database to provide additional services, such as online endorsement and online examination application. Also included in such services are vendor fees for the use of the credit card and other bank charges. The result of the reduction would be a delay in offering these services.



4. **Recommendation:** Reduce out-of-state travel for the Board of Physicians to reflect plans to send four rather than six board members to annual meetings. \$7,132 SF

**Response:** The Board disagrees with this recommendation. Senate Bill 500 expanded the size of the Board of Physicians from 15 members to 21 members. Therefore, we budgeted an increase in the number of members attending out of state conferences and training.

5. **Recommendation:** Reduce contractual expenses for the Board of Physicians to allow 11% growth in cost of contract for peer review and rehabilitation services. \$66,350 SF

**Response:** The Board disagrees with this recommendation. Senate Bill 500 from last session of the General Assembly now mandates that we contract with not-for-profit entities for these services, which is a change from prior practice of awarding a fixed amount (\$50 per licensee). We are not sure of the total cost of these programs, but anticipate additional administrative and operational expenditures as these services are put out on competitive bid.